

PRESIDENT REQUESTS CONGRESS TO SPEED HELP TO RAILROADS

Recommends War Finance Corporation Be Authorized to Buy Securities Held by Director-General.

NO EXPENSE INVOLVED

Action Would Provide Money to Settle Claims and Give Assets for Railroad Betterments.

FARM RELIEF ALSO ASKED

Kellogg Introduces Substitute for Norris Bill to Permit Financing of Agricultural Exports.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., July 26.

President Harding today sent a special message to Congress asking that authority be granted to extend financial relief to the railroads and to the agricultural industry of the country through the War Finance Corporation.

He proposed that the powers of the corporation be increased to permit it to accept and discount railroad securities up to approximately \$500,000,000, which would make available to the carriers funds with which to pay their obligations and negotiate new equipment and supply purchases.

Under the President's plan, no further appropriations by Congress are necessary. The War Finance Corporation will utilize its revolving fund to purchase railroad securities now held by the Government, which it will in turn float for cash to recoup this fund.

The President proposed agricultural relief in separate legislation, but through the War Finance Corporation, instead of through a new corporation as provided in the Norris bill, now pending in the Senate.

The President's message appears to have broken what was fast growing into a legislative blockade in the Senate. Much favorable comment followed the receipt of the message in the Senate, where the Norris Farm Export Corporation bill is under discussion as the unfinished business. Shortly before the message came in, Senator Kellogg (Minn.) introduced a substitute for the Norris bill, approved by the War Finance Corporation and by Secretary of Commerce Hoover, virtually adopting the same principle for the relief of agriculture as the President proposed for the railroads.

Speedy Passage Forecast.

The War Finance Corporation is to be the agency for the relief of both basic industries and the Republican leaders are confident they have sufficient votes for the adoption of the Kellogg substitute. Indications now point to a speedy vote and the sending of the amended bill to the House for action there.

Senator Norris will try to put through his own bill, but others in the agricultural "bloc" foreseeing that it cannot command sufficient votes, are expected to back the Administration bill.

There will be no attempt to combine railroad and farm relief in one bill, leaders stated to-day. The programme as now outlined contemplates disposal of the farm relief measure, to be followed by consideration of the railroad relief bill and probably the anti-beer bill. While there was some opposition manifested over the President's proposal in Democratic circles, it is believed they also will to a large extent back both bills in the belief that depression in agriculture, in transportation and in all other lines of business and industry will be relieved.

Has Cummins's Support.

Senator Cummins (Ia.) chairman of the Interstate Commerce Committee, is expected to introduce the railroad relief bill. He is now at Atlantic City, but is expected back soon. He is known to approve the President's suggestion and said to have conferred with him about it more than two weeks ago.

Senator Norris was resentful over the proposal of the substitute to-day, asserting that members of his committee had not been able to learn anything about it that had been "secretly prepared."

Senator Kellogg denied there had been anything secret about it, saying it had been presented as soon as it could be prepared in the hope of facilitating action.

Debate on the farm relief bill was interrupted by the reading of the President's message, and was immediately resumed thereafter and continued throughout the day. Senator Kellogg and Senator Randall (La.) making the most extended arguments. There was the usual crossfire of interruption by Senators interested in the measure. Senator Kellogg devoted himself to explaining the main features of the substitute and his objections to the Norris bill. Senator Randall opposed the substitute and insisted that the Norris bill should be approved in its original form.

There was no reference in the debate to the President's railroad relief message, but it was discussed generally by

HARDING AND FULL BOARD APPROVED TAKING OF SHIPS

Action Against U. S. Mail Steamship Co. for Protection of American People, Lasker Asserts—Allocated to Harriman to Keep Boats in Service.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., July 26.

Seizure of the Shipping Board vessels in the hands of the United States Mail Steamship Company was undertaken as the result of a unanimous vote of the members of the Shipping Board and with the knowledge and approval of President Harding, it was announced this afternoon by Chairman Lasker. He said that owing to the fact the case was now in the hands of the court his statements regarding it, until after the courts had acted, must necessarily be limited.

"We took the action we did for the protection of the American people," said Mr. Lasker. "The board was unanimous on the decision that action should be taken. Admiral Benson's ideas as to the method of procedure differed slightly from those of the rest of us."

"The reason the United States Mail case was the first acted on was because, in the opinion of those officers of the board who have been here some time, it was the most urgent case. Every other case of similar nature, if there are such, will be handled on its merits as it comes up."

"We selected the Harriman line as

JAPAN TO DISCUSS FAR EAST PROBLEMS

Cabinet Decides Without Qualification—Objection to Washington Denied.

UCHIDA MEETS WAR CHIEF

Excitement in Japan Subsides—Tokio Mayor Bids World for Fair Play.

By the Associated Press.

Tokio, July 26.—The Japanese Cabinet has decided to take part in the proposed conference on Far Eastern problems, the Associated Press was informed to-day.

It is understood the Japanese answer will be forwarded to Washington soon. The Asahi this morning published a denial of the report that Japan had informed Great Britain that Japan objected to discussion of the Far Eastern problem or objected to Washington as the seat of the conference.

Calling attention to the subsiding excitement over the conference, the Asahi explains that the agitation was due to the belief that the United States would raise problems disadvantageous to Japan and advantageous to the United States.

"Therefore," it says, "there arose among the people loud protests, some of them even declaring that a national peril was approaching."

The Asahi warns against excessive optimism, insinuating that the Harb. Cabinet, actuated by considerations of domestic politics, is trying to make it appear that the situation is not serious.

The Kokumin Shinbun, the militarist organ, said it is astounded that Japan is anxious to settle the Yap and Shantung questions before the proposed conference on Far Eastern questions and disarmament.

"Japan's attitude in dealing with these problems," the newspaper declares, "partakes of the nature of one merely returning stolen property before arraignment in open court."

Japan, the Kokumin continues, has been the target for abuse and hatred the world over for its alleged aggressiveness, but says this does not mean that the attacks were justified.

"There is much Japan wants to say in repudiation of the charges and in defense of its national honor," it says. "Therefore the conference is a Godsend, furnishing an opportunity to disabuse the world of its false conceptions of the Japanese."

The Chuo Shinbun, after joining the school of those convinced that the conference will decide the Empire's destiny, disapproves any coalition Cabinet that could bring to the front Viscount Kato, the former Foreign Minister, declaring that Viscount Kato was the "statesman who brought so much trouble on the country through the presentation of the notorious twenty-one demands on China."

"In other words," the newspaper says, "Kato was the tool of the militarists in the furtherance of their plots."

The Chuo Shinbun adds that participation in the conference by China is liable to be disastrous and says it may result in the entering of a wedge for international control of China.

The Osaka Mainichi Shinbun in its edition of to-day urges the calling of an extraordinary session of the Diet to strengthen the position of Japan in connection with the conference and to realize popular government. The Diet, the newspaper declares, should get an opportunity to express its will.

Viscount Uchida, the Foreign Minister, went to Odawara yesterday to confer with Field Marshal Yamagata, a member of the Imperial Military Council, on the situation.

Baron Shingami Goto, Mayor of Tokio, who has asserted that Japan will find few friends in Washington, in a statement to-day said Japan should utilize the opportunity to remove misconceptions as to her policy and strength. He said he believed the world overestimated Japan's power, especially naval and military.

EXCESS PROFITS TAX WILL BE ELIMINATED IN NEW REVENUE BILL

Congress Leaders Outline Features of Measure to Raise \$3,000,000,000.

SALES TAX ABANDONED

Transportation and Surtaxes Lowered—Consumption Levies Dropped.

HIGHER LIQUOR RATES

Increased Postage Fee and Bank Check Assessment Are Not Favored.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., July 26.

A tentative draft of the new tax bill, which probably will be before the House within a month, has been drawn by members of the House Ways and Means Committee after consultation with the Treasury Department and leaders of both houses of Congress, it was learned to-day.

Republicans of the committee and the Treasury experts are said to be in virtual agreement as to the general plan of the new tax bill. From authoritative sources it was learned that the following will be the outstanding features in revenue revision, as provided in the House bill:

The sales tax proposal has been abandoned.

The excess profits and several of the petty, annoying consumption taxes will be repealed.

The higher surtaxes will be retained, but the highest rate on big incomes will be about 40 per cent, instead of 65, as at present.

The corporation income tax will be changed to a flat rate of 18 per cent, a substitute for the excess profits levy.

A 10 per cent levy on the undistributed earnings of corporations probably will be imposed as a means of preventing any large issuance of stock dividends.

Transportation taxes probably will be eliminated or at least cut in half.

The Ways and Means Committee seems to be that in view of the great need for revenue this reduction cannot be made.

Under the taxes as outlined the committee has received preliminary estimates that more than \$3,000,000,000 can be raised. This, added to the \$400,000,000 mark—the goal set for the next year or two.

From authoritative sources the returns under the probable levies were ascertained.

From the normal income tax at 4 per cent, a reduction of surtaxes about \$1,000,000,000 a year could be obtained.

A flat corporation income of 18 per cent will return at least \$750,000,000, while about \$300,000,000 could be obtained from the 10 per cent levy on the undistributed earnings of corporations.

Under the latter return would come either directly from the tax or through increased returns from the forced distribution of cash dividends.

Other Estimated Returns.

From inheritance taxes about \$100,000,000 will come from insurance levies. Should the transportation taxes be repealed the loss would be about \$300,000,000. Although the plan is to repeal the tax on liquor, the revenue would return about \$157,000,000. The present taxes on tobacco, which probably will be continued, are yielding \$295,000,000. Another \$50,000,000 will come from continuing present taxes on admissions and club dues.

In the excise section of the bill it is believed the taxes on candy, chewing gum, cough drops, toilet soaps, wearing apparel, with the exception of some luxuries, carpets, perfume and medicinal preparations can be repealed, leaving levies on automobiles, jewelry, pianos, organs and motion picture films. As revised this section would yield about \$182,500,000. From special taxes would come \$109,000,000. The continuation of stamp taxes on documents, etc., as at present, would yield \$72,500,000. This makes a total of \$3,128,500,000. With the \$400,000,000 from the tariff the total is pushed up to \$3,528,500,000, thus giving some leeway for reduced yields due to a continued slump in business if the revenue bill is based on the \$3,500,000,000 mark.

STORM RELIEVES HEAT AFTER ONE MAN DIES

One Drowning and Many Rescues Are Reported.

The rain and electrical storm late yesterday afternoon brought some relief from the heat in which New York had sweated during the day, but not before half a dozen heat prostrations had been reported. A large crowd was reported on the roof of the Queensboro Bridge, the Kill van Kull where Henry Heron, 78 years old, who died at his home, 163 Chestnut street.

The beaches and the docks of the East and Hudson Rivers had more than their usual Tuesday crowd of swimmers, and several rescues were made of persons who got beyond their depth. Edward Orpen, of 154 East Fifty-third street, was saved from the East River at Fifty-third street by James McCarthy of 596 Third avenue and John Dinan of 1008 Avenue A. A large crowd witnessed the rescue from the Queensboro Bridge.

Only one death from drowning was reported, that of John Gallagher, a cooper in the Standard Oil Works at Bayonne, N. J., who was drowned in the Kill van Kull while bathing off First street, Bayonne.

The highest temperature recorded yesterday by the Weather Bureau was 85 at 4 o'clock, about an hour before the rainstorm. At 6 o'clock the thermometer registered 77.

A Business Opportunity Ad Involving a Million Dollars.

See letter to-day on Want Ad Page telling of success in using Herald Business Opportunity Ads.

Those seeking unusual investment possibilities are close students of The Business Opportunity Ads in

\$2,000,000 SPURIOUS RUM STAMPS SEIZED IN RAID ON PLANT

Huge Stock of Counterfeit Whiskey Labels Taken in the Imperial Press.

THREE ARRESTS MADE

Storeroom in Fulton Street Found Packed With Printing Skilfully Faked.

BOOKS SHOW CUSTOMERS

Many Others Probably Will Fall Into Net of Secret Service Men.

Counterfeit revenue stamps with a face value of \$2,000,000, forged whiskey labels, dies, cuts and printing presses were seized by Secret Service men and by the police late yesterday in the plant of the Imperial Press, on the top floor of the building at 59 Ann street, and in a store room in the building at 47 Fulton street.

So far as is known this was the biggest haul of its kind made since prohibition went into effect. The raids were the result of a tip received ten days ago by Detective Sergeant Michael Flischi. From the stock on hand it was evident that the traffic had been going on for months. It took two trucks to carry the seized property to Headquarters. Three men were arrested at the Ann street address, but nobody was found in the Fulton street store room.

Detectives and Secret Service agents went to the Imperial Press offices only to find it locked. The door was forced, but no person was found on the premises. Many thousands of labels were found of the variety used on whiskey and other liquor bottles to give the contents the genuine appearance.

Plant Operated Day and Night.

Concealed in boxes were dies and cuts which could not be distinguished from those used by the Federal Government. Two printing presses in the plant had been used to turn out the forged papers by the thousands, and there was evidence that the machines had been in almost constant use night and day to supply the demand of numerous bootleggers in this vicinity. Forged labels of choice brands were found, and it is well known that liquor purchased for genuine goods has borne such labels only to be found later to be of the hooch variety.

As the raid was going on at 59 Ann street, Victor Silco, a printer living at 85 Sandus street, Brooklyn, and Louis Santolito, also a printer, residing at 98 James street, Manhattan, walked into the place and seeing the raiders attempted to escape. They were both placed under arrest and admitted being employed by the Imperial Press.

A few minutes later John Dochmal, of 235 Irving avenue, Brooklyn, appeared with a good sized package under his arm. The package was found to contain a salaried man, who had been working in the store room at 47 Fulton street which they found locked and deserted. There was discovered thousands of similar labels done up in small and large bundles, each containing from 100 to 1,000 of the forged papers.

According to Secret Service Agent John A. Lyons, Dochmal said he was a salaried man, who had been working in the plant of the Imperial Press, and that he had been given the names of a large number of customers, some of whom the authorities say have been suspected of selling the bootlegged goods in this and nearby cities. Every sale will be traced with the object of making further arrests.

The raids were the direct result of the arrests on Monday night of Vincent Legnante, of 29 Mott street, Vincenzo Rollo, of 187 Mott street and Dante Seragnano, of 65 Bayard street, by Detective Sergeant Flischi. The three men were taken to the home of the men upon receiving information that they possessed counterfeit revenue stamps and whiskey labels.

In the home of Legnante it is alleged 10,000 counterfeit revenue stamps were seized. He was said to have \$10,000 bail yesterday by United States Commissioner Hinchey for a hearing on July 30. Legnante and Rollo are still locked up in Police Headquarters where they have been questioned. It is reported that in the home of the latter thousands of forged stamps were found of the exact likeness of those seized in the Imperial Press plant and in the deserted store room on Fulton street.

After questioning Rollo yesterday, Sergeant Flischi sent for the secret service agents and told them of the information he had obtained regarding the places on Ann and Fulton streets. The names of the owner of the printing plant was not divulged.

VERMONT MOBILIZES TROOPS FOR RIOT DUTY

Paper Workers on Strike at Bellows Falls.

BELLOWS FALLS, July 26.—State troops have been mobilized for riot duty in case the situation growing out of the strike of employees of the International Paper Company should become critical. Gov. Hartness said in a message from his home in Springfield to-day.

He said reports from town and county officials led him to believe that strike sympathizers went beyond their legal rights yesterday in stopping men going to work for the Champlain Realty Company, an International Paper Company subsidiary.

Local officials had informed the executive, he said, that they could not cope with a similar situation which arose. The Governor added that troops were ready to come on an hour's notice, and that he believed they would be needed should the Champlain company try to using in any more workmen.

LOCKWOOD'S CHANCE BEST FOR COALITION MAYORALTY CHOICE

Republican Borough Conference Committees Expect to Caucus to Insure Success of State.

CURRAN COMPTROLLER

La Guardia and Bennett in Secret Confab—Haskell Will Stay in Primaries as 'Wet' Candidate.

PROHIBITION ISSUE RISES

Price Says James Is Still in Race—Two Women Quit Committee—Liberty Loan Subscribers for La Guardia.

Developments yesterday seemed to indicate the ultimate selection of State Senator Charles C. Lockwood of Brooklyn as the anti-Tammany candidate for Mayor. Yet after a day of jockeying on the part of the various leaders connected with the Republican-Coalition steering committee it seemed impossible last night to forecast positively a Lockwood victory.

In the first place the temper of the Republicans seemed to favor another adjournment when the committee meets to-day. They have not yet got together to the extent of being able to go into the steering committee with the assurance that their slate will go through. It is not at all improbable that a joint meeting of all the conference committees of the five borough Republican organizations will be held and a vote taken. The choice at this meeting will be the choice of the Republicans at the subsequent meeting of the steering committee. It will have the effect of giving a greater authority to the selection in the Republican primaries.

Trustworthy information last night pointed definitely to the participation in the primaries by Judge Reuben L. Haskell. There is no question that the leaders are thoroughly frightened over the outcome of the primaries. In the first place Samuel S. Koenig made an earnest effort to get F. R. La Guardia, President of the Board of Aldermen, to see the error of his way. It is said he did not ask him to retire from the race for Mayor, but he pointed out to what an extent he was embarrassing the organization.

La Guardia "in Race to Stay."

La Guardia made no direct reply, but he later told reporters he was in the race to stay. Nobody has asked him to take a nomination for his present place, he said, and he wouldn't say "No" if he was asked.

It is said that La Guardia and Bennett have an understanding—that both are in the primary race for the mayoralty nomination to the end. Some time ago it was learned yesterday La Guardia called on Bennett and suggested it might be a wise move to withdraw from the "primary runner" to withdraw for him. Yesterday Bennett spent forty-five minutes with La Guardia at the City Hall, where he was evidently discussing the conference. But it was agreed that both were still in the running. La Guardia would not withdraw for Bennett, who thinks the President of the Board of Aldermen ought to stand for renomination to that office as a tall to the Bennett kick. Furthermore, Bennett wants to annex Lockwood.

"Bennett," he said, "Senator Lockwood has chance to become a great power in the Republican party. He can do it by repudiating all this machinery that is being set up for him and by deciding to run as a candidate for the Comptroller nomination on my ticket."

Judge Haskell refused to promise to run in the primaries when he was approached by an emissary of the organization. Indeed, every indication was that Haskell's friends were working feverishly to perfect an organization for him. It was reported that Henry Birrell of the National Republican Club, who at one time espoused the cause of the "wet" candidate, was interested for the Haskell fight.

It was this Haskell information, coupled with the plea of the Brooklyn leaders that the "wet" would go down to defeat unless the steering committee put up a Brooklyn man, that finally swung the scales toward Lockwood.

Insists Upon Solid Brooklyn.

But Manhattan insisted that Brooklyn must come in prepared to show that the borough really was behind Lockwood, as well as Queens and Richmond, and furthermore, that these three boroughs would stand for Curran for Comptroller if Manhattan and The Bronx should agree to support Lockwood.

A meeting of the full conference committee of the Kings County Republican Committee was held at the office of Meier Steinbrink in the afternoon, and the action of Senator Calder, F. J. Crackie and Miss Bertha Stevenson in favoring Lockwood was approved. The three are members of the Steering Committee.

William H. Anderson, State Superintendent of the Anti-Saloon League, yesterday refused to give Judge Haskell any excuse for dragging the prohibition issue into the Mayoralty campaign.

"The Anti-Saloon League," he said in a formal statement, "has made no effort of any sort to determine the choice of any nominee for Mayor, and it will make no declaration, recommendation or effort in behalf of the election of any candidate after the nominees are chosen for this campaign. Neither will it be involved in the election by becoming the excuse for the injection of the prohibition issue by any aspirant whose sole qualification is that he is wet in principle, but as a person of good faith."

Senator Calder had a talk with Miss Mary E. Dreier and Mrs. Charles L. Tiffany of the Coalition Committee, and Henry C. Goddard, E. J. S. Young, Young Republican Club State headquarters yesterday afternoon. He wanted to see if he could get it through.